

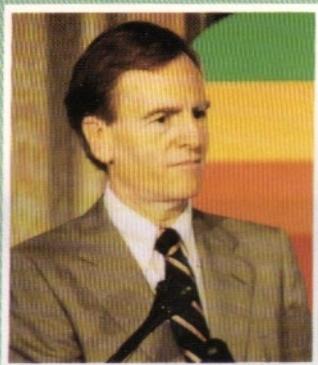
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STANDFIRST:

Driven by technological and sociological forces, a new type of organisation — looser, more informal, constantly creating and recreating in new ways — is evolving in the last decade of the 20th century ... and a new breed of business leader is evolving along with it. John Sculley, as Chief Executive Officer (or as he prefers to be known, Chief Listener) of Apple Computer Inc, is in a better position than most to observe the trend. Here are excerpts from his speech to Australian business leaders in Sydney.

As we look around at what is going on today with the workplace, it's almost astounding to see how much we gained in productivity during the industrial age by putting tools in the hands of blue-collar workers. And yet we have hardly begun to put the tools in the hands of the white-collar workers so that they too could get productivity increases.

The personal computer is one of those tools, the telephone is another. And there will undoubtedly be further tools that will become important, whether it's fax machines, or presentation tools, or communications tools. Putting tools in the hands of the white-collar workers is just as important in the 1990s as was putting tools in the hands of the blue-collar workers during the industrial age.

Sculley on... Technological Change

In the case of technology, we will see the convergence of telecommunications, personal computing and content — everything from television programmes to information to publishing. The estimates are that about 98 per cent of the world's information will be digitised by the end of this century. When these trends converge we're going to start to see the redefinition of things that we became familiar with ... It is very likely that we will see an interactive television, one that will allow the user to be in some control of what they actually experience — not just sit there passively in front of this device on a table. When you think that most information will be digitised and can therefore be put into the form that can be seen on interactive multi-media, that has a dramatic potential for impact on our education systems, impact on the way we train people — very, very, fundamental implications for society.



In the 21st century, I think we're going to see fundamental changes in behaviour. I'm sometimes asked about what kind of business I think Apple is in, and I think back to a famous article by Ted Levitt on "Marketing Myopia" many years ago in the Harvard Business Review. Ted said that the problem with the railroads was that they didn't realise they weren't in the railroad business, they were in the transportation business — consequently they never participated in the growth of airlines or the growth of the automobile.

I really think that Apple isn't just in the computer business, that we're really in the behaviour-changing business, that we're really in the business of creating tools to help people change the way they do things, the way they learn, the way they work, the way they communicate.

The fundamental behaviour of people is going to change in the global economy. It will change because of

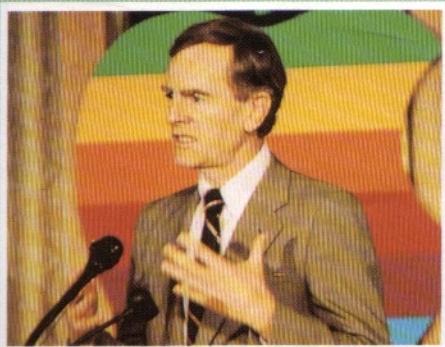
women in the workplace; it will change because of older people becoming a bigger factor in the workplace: people won't necessarily retire at 60 or 65 in the future.

It will change because of telecommunications, the fact that Sydney is as close to San Francisco as Peoria, Illinois, was to San Francisco 10 years ago because of communications and computing. It will change because we are really one world, one marketplace, and even national borders have less significance, are less relevant than they were once before.

And it will change because the basic theories of organisation design are changing.

I'll give you an example in my own experience. I have almost no staff that report directly to me, so when I want to get something done I have to go turn to someone else's staff for help.

Now the old model was that the chief



Sculley on... Leadership

The World War II fighter pilot leader type is something of the past. The leaders of today, or the leaders of the future, are going to be the ones who can see the bigger picture, the ones who are able to inspire by setting a vision that others want to follow, not just people who create a group of policies that are enforced by the power of their positions through a control organisation. You can't build by controlling, you can only build by creating, and we are moving into a decade of builders,

I believe, not just deal makers.

executive officer sat at the top of the hierarchy, surrounded by staff. The staff would prepare their work, present it to the CEO, and the CEO would nod approval and then it was passed down through the organisation as policy, and the controls were there to make sure it happened. People were told what to do, and they did it. And they didn't even question whether they should do it or not: they did it because that was what was expected of them.

That's no longer the model. Today, we find that people in the workplace, particularly young people, expect to have some input in terms of what's going on. It's a much more flexible

environment — it's really more of a network than a hierarchy. Today people want to know why should they do that? Why is it going to be better? Why should the company make a set of decisions? How will it influence my ability to be able to do my work? We have a far more informal organisation.

The thing that was always there, the sort of informality of the network, is becoming formalised in the 1990s. It's happening first in the high-tech companies because we had very little baggage. We're also young; we don't have outdated factories, we don't have pensions, we don't have labour unions, so we tend to be very unencumbered and therefore we can change relatively quickly — in fact, if we don't change, we don't survive. It's always survival of the fittest in high technology.

So, it's not surprising that these experiments are going on first in high-technology companies. But eventually these experiences, both the mistakes and the successes, will be translated into other environments.

Sculley on... The Role of Women

Today at Apple, 40 per cent of our managers are women, and 40 per cent of our professionals are women, and the implications on the whole work environment are significantly different than the kinds of issues that I dealt with as a CEO 10 years ago. Gender is a non-issue. No one really thinks about "do I work for a woman, does a woman work for me?" The more important thing is how will women change the character of the work environment ... I believe we are going to see even more creativity, even more sensitivity in terms of the work environment and how decisions are made, and that isn't just going to be an American phenomenon — it is going to be one that touches all parts of the world.

So back to my own case with no staff: if I want to prepare for a speech such as the one I'm giving you now, what I will do is go out over my electronic mail system. I have it wherever I am: right



here at this hotel in Sydney I have my electronic mail system set up and today I've been in contact with Paris, with New York, with San Francisco several times, and I could be in contact with anywhere else in the world I want to be.

I can put together informally a group, which I would call a task group, which could work on a particular project. We may never actually see one another during this process: I may never even meet some of the members of that task team — they may just be a name or an address to me on my electronic mail system. We may work on totally different time zones, we work at our own leisure in our own way, working on a common project, and when that project is completed, we disband.



Sculley on... Sociological Change

When Willy Sutton, the famous American bank robber of the 1930s, was asked why he robbed banks, he said: "Because that's where the money is". And that's where the money has been in the American market — with young people. They've had the discretionary income. Yet if we look at where the growth of discretionary income in the United States will come during the decade of the 1990s, the expectations are that people aged 18 to 39 will add about an additional \$34 billion of discretionary purchasing power. That sounds like a lot of money until you realise that people 40 years and over, during that same decade, will add \$340 billion of additional discretionary purchasing power — a factor of 10 larger. And suddenly you start to see advertisers paying attention to jeans for the middle-aged figure. Marketing to the middle-aged will have significant implications on all of us over time.

So if you looked at an organisation chart, you would never know that this ever existed. You don't have a staff organisation sitting there on the sidelines like the fire department, waiting for something to happen. What you have is a very flexible organisation that creates and recreates itself, depending on what the needs are.

Without that kind of flexibility it's going to be very difficult to be competitive in the rapidly changing, global dynamic economy of the 1990s and the early 21st Century.

What it means for leadership is that the World War II fighter pilot leader type is something of the past. The leaders of today, or the leaders of the future, are going to be the ones who can see the bigger picture, the ones who are able to inspire by setting a vision that others want to follow, not just people who create a group of poli-

cies that are enforced by the power of their positions through a control organisation.

You can't build by controlling, you can only build by creating, and we are moving into a decade of builders, I believe, not just deal makers.

If there's one thing that characterised the 1980s, I think it was a decade of businesses, of deal makers: lots and lots of deals, of all sizes and types and varieties. In the 1990s, it's going to be more difficult for deal makers, but it's going to be a lot more exciting for builders.

And builders don't necessarily have to have all of the ideas themselves. What they have to be able to do is to create the environment, to be coaches, to be able to have the context: in effect, to have that wisdom as to which things should be pushed, which things need to be modified, which things require more support.

At Apple we have such a de-institutionalised environment that we get to make up our own titles. It's always fun to ask someone what their title is: they will pull out their card and it will say something like "Evangelist" or "Champion". If you look at my business card, it doesn't say "Chief Executive Officer", it says "Chief Listener". And that's basically what I do. I do a lot of strategic listening.

You have to listen very, very carefully. What you're listening for are the very good ideas. You're listening for the feedback that people are getting the things they need to get their job done; you're listening for obstacles that are getting in their way. That's what leadership is about in the 1990s: a dramatic change from what we've seen in the past.

This is a decade of incredible change. It's a decade where Australia is no longer to us in America just a place Down Under, but a linkage into the most exciting economy of the future, the Asia/Pacific market.

I think it's going to be the most exciting decade of the entire century. I can't imagine a more exciting time to be a leader than the 1990s because it's a decade in which the political issues of ideology and war are essentially set aside if not behind us, where the trends of technology, the leverage of economies on a global scale are already in motion. It's a decade in which some will prosper and some will not. So it is

Sculley on... Behavioural Change

Apple isn't just in the computer business: we're really in the behaviour-changing business, in the business of creating tools to help people change the way they do things, the way they learn, the way they work, the way they communicate.

25 or 30 or 40 years from now will largely be shaped with what happens with the immigration and the development of Australia's role in the Asia/Pacific region during this decade. This is really a decade which will shape your country for the next century.

It's a very exciting time, I would imagine, to be an Australian; just as it's an exciting time to be a West Coaster in the United States because we are getting an immigration of people from the Pacific Rim coming into California. We

have the leverages of technology, we have the inter-dependencies of the financial systems with Japan, for example. They've chosen California as their central base of operations for much of their efforts in the United States.

So it's a very, very dynamic time all round and an exciting time to be a leader. What I hope, though, is that each one of us can zoom down from the macro view of the world to the things that we have to do day by day, our dealings with people hour

by hour, and try to put those difficult little decisions into the context of a framework that embraces this extraordinary opportunity that we have ahead.

If each one of us does that well, we will make a difference, not only in our own enterprises, but in our collective efforts for the quality of life in this global economy. Because in the final analysis, the global economy is one market, it is one world — and it is one exciting place to be.

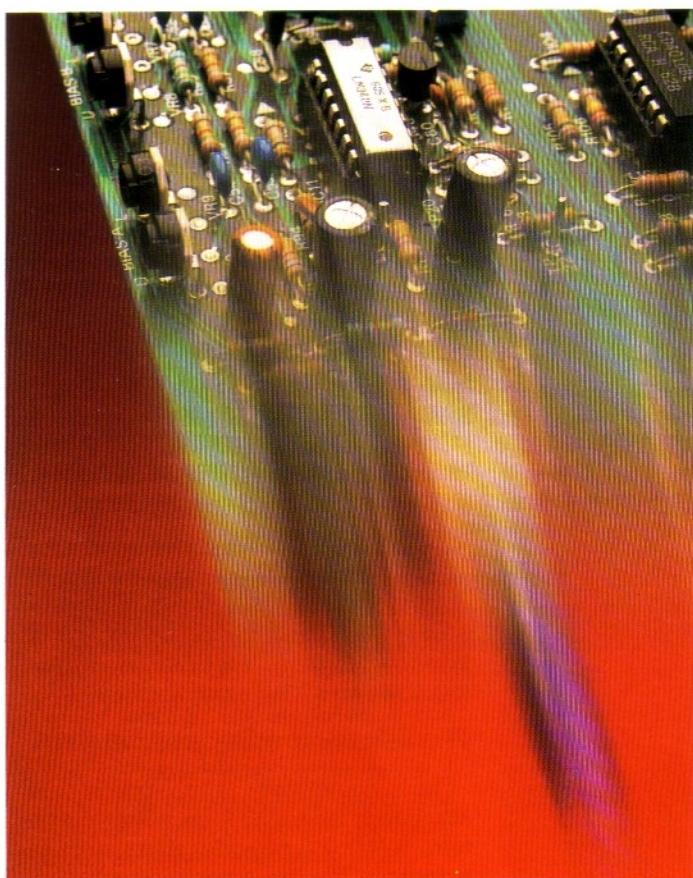


not necessarily a decade without problems or challenges, but I think there is really no decade that will have more opportunity for individualism, for creativity, than the one that we have ahead of us.

One of the things that Australians and Americans have in common, I think, is pragmatism. It's a tremendous strength, it's a source of creativity. In your own country you're having more and more immigration and the character of your country, I would imagine, in



Apple high-speed SCSI card



THE new Apple II high-speed SCSI card significantly increases data transfer speed between Apple II personal computers and SCSI devices such as hard disk and CD-ROM drives. It works with the Apple IIe and Apple IIGS personal computers and is compatible with all SCSI devices providing the fastest data throughput possible for Apple II users.

Using direct memory access (DMA) data transfer, it offers speed improvements of up to 10 times faster than that of the previous Apple II SCSI card, which it replaces. DMA allows data to be transferred directly between the computer's memory and a SCSI device, with minimal interaction from the microprocessor.

The new card also comes with software utilities for use with hard disk and CD-ROM drives.

On the Apple IIGS data can be transferred at a rate of up to 1MB per second. On the Apple IIe it can be transferred at a rate of up to 5MB per second. The SCSI manager, a part of the IIGS operating system, has been enhanced to take full advantage of DMA.

Compatible with all SCSI devices, the Apple II High-Speed SCSI card requires only that device-specific applications and drivers be installed on the system. The card comes with drivers and applications for hard disk and CD-ROM drives, allowing users to take advantage of these devices immediately.

The recommended retail price (tax inclusive) of the Apple II High-Speed SCSI card is \$245, the same price as the previous Apple II SCSI card. The card is available in Australia from authorised Apple resellers.



New Apple Extended Keyboard II

THE Apple Extended Keyboard II is an ergonomically-designed keyboard for the Macintosh SE, SE/30 and Macintosh II, IIx, IIcx, IIci and IIfx personal computers.

Featuring adjustable height, it includes 15 function keys, a numeric keypad, cursor arrow keys in a standard inverted-T style layout and six special screen-editing keys. It also features a slide lever that lets users adjust the angle of the keyboard to fit their preferences as well as a template to label each function key action.

Programmable function keys allow the keyboard to run terminal-emulation and related data communications programs, or alternate operating systems and applications which support them.

